

**OFFICIAL FILE
ILLINOIS COMMERCE COMMISSION**

ORIGINAL

DOCKET NO. 00-0269

dPi-Teleconnect, L.L.C.

Application for a Certificate of
(local or interexchange) authority
to operate as a (reseller or facilities
based carrier) of telecommunications
services in (list specific area) in the
State of Illinois

ILLINOIS
COMMERCE COMMISSION
APR 4 10 04 AM '00
CHIEF CLERK'S OFFICE

**APPLICATION FOR CERTIFICATE TO BECOME A
TELECOMMUNICATIONS CARRIER**

GENERAL

1. Applicant's Name (including d/b/a, if any) FEIN# 75-2793726

*dPi-Teleconnect, L.L.C.
2997 LBJ Frwy., Suite 225
Dallas, Tx 75234*

2. Authority Requested: (Mark all that apply) X 13-403 X 13-404 X 13-405

3. Request for waivers/variances: In applications for exchange service authority under Sections 13-404 or 13-405, waivers of Part 710 and of Section 735.180 of Part 735 are generally requested. In applications for interexchange service authority under Sections 13-403 and 13-404, waivers of Part 710 and Part 735 are generally requested. Please indicate which waivers Applicant is requesting.

X Part 710 X Part 735 X Part 735.180 X Other

4. In what area of the state does the Applicant propose to provide service?

Local service will be provided only in Market Service Area 1 ("MSA-1"), which is served by Illinois Bell Telephone Company d/b/a Ameritech Illinois ("Ameritech") and Central Telephone Company ("Centel"). Interexchange service will be available statewide.

5. Please attach a sheet designating contact persons to work with Staff on the following:

- a) issues relating to processing this application
- b) consumer issues
- c) customer complaint resolution
- d) technical and service quality issues
- e) "tariff" and pricing issues
- f) 9-1-1 issues
- g) security/law enforcement

Please identify each contact person's (i) name, (ii) title, (iii) mailing address, (iv) telephone number, (v) facsimile number, and (vi) e-mail address, if any.

- a) *Kyle L. Dickson*
Counsel for Applicant
Maxwell, Baker & McFatridge, P.C.
2525 South Shore Blvd., Suite 410
League City, Tx 77573
(281) 521-2000
(281) 521-2010 Fax
kdickson@maxwellbaker.com
- b) *Terry Bliestein, Customer Service*
2997 LBJ Frwy., Suite 225
Dallas, Tx 75234
(972) 488-5500 x 4003
(972) 488-8636 (Fax)
- c) *Terry Bliestein, Customer Service*
2997 LBJ Frwy., Suite 225
Dallas, Tx 75234
(972) 488-5500 x 4003
(972) 488-8636 (Fax)
- d) *David Michael Pikoff, Vice President*
2997 LBJ Frwy., Suite 225
Dallas, Tx 75234
(972) 488-5500
(972) 488-8636 (Fax)
dpikoff@dpiteleconnect.com
- e) *David Michael Pikoff, Vice President*
2997 LBJ Frwy., Suite 225

Dallas, Tx 75234
(972) 488-5500
(972) 488-8636 (Fax)
dpikoff@dpiteleconnect.com

f) David Michael Pikoff, Vice President
2997 LBJ Frwy., Suite 225
Dallas, Tx 75234
(972) 488-5500
(972) 488-8636 (Fax)
dpikoff@dpiteleconnect.com

g) David Michael Pikoff, Vice President
2997 LBJ Frwy., Suite 225
Dallas, Tx 75234
(972) 488-5500
(972) 488-8636 (Fax)
dpikoff@dpiteleconnect.com

7. Please check type or organization?

_____ Individual
_____ Partnership

 X Corporation
Date corporation was formed 12/10/98

In what state? Delaware

_____ Other (Specify)

8. Submit a copy of articles of incorporation and a copy of certificate of authority to transact business in Illinois.

See attached Exhibit "A".

9. List jurisdictions in which Applicant is offering service(s).

See attached Exhibit "B".

10. Has the Applicant, or any principal in Applicant, been denied a Certificate of Service or had its certification revoked or suspended in any jurisdiction in this or another name?

No.

11. Have there been any complaints against the Applicant in any other jurisdiction?

No.

12. Will the Applicant keep its books and records in Illinois? No.

If NO, permission pursuant to 83 Ill. Adm Code Part 250 needs to be requested.

dPi-Teleconnect request a waiver of 83. Ill. Adm. Code Part 250. dPi maintains its books and records at its corporate office in Dallas, Texas. dPi requests a waiver of the requirement to keep its books and records in the state of Illinois. In the event staff ever needs to examine the books and records, dPi will pay the cost of travel for staff to Dallas, Texas.

MANAGERIAL

13. Please attach evidence of the applicant's managerial and technical resources and ability to provide service. This may be in either narrative form, resumes of key personnel, or a combination of these forms.

Applicant is technically qualified to resell telecommunications services. All of the principals of the company have significant telecommunications experience. Attached hereto as Exhibit "C" is a summary of management's business and telecommunications experience.

14. List officers of Applicant.

David Britton Dorwart, President, Secretary and Director

David Michael Pikoff, Vice President, Treasurer and Directory

William Morgenstern, Director

15. Does any officer of Applicant have an ownership or other interest in any other entity which has provided or its currently providing telecommunications services.

No.

16. How will Applicant bill for its service(s)?

dPi will provide prepaid residential service. Its customers will be given a receipt at the time they make their payment and will be sent reminder statements at least monthly and disconnection notices in accordance with Illinois rules.

17. How does Applicant propose to handle service, billing, and repair complaints?

dPi provides its customers with a 1-800 number which they can call 24 hrs. a day, seven days a week and reach their customer service center. Applicant will process all service, billing and repair inquiries by its customers. To the extent that any repair or service is needed, dPi interfaces with the ILEC via OSS and forwards those to the ILEC. Service is maintained by the ILEC from the central office to the point of demarcation.

18. Will personnel be available at Applicant's business office during regular working hours to respond to inquiries about service or billing?

Yes.

19. What telephone number(s) would a customer use to contact your company?

*(972) 488-5500
(800) 687-6727*

20. What are your procedures to prevent unauthorized "slamming" of customer?

dPi does not, at this time, convert customers from other providers. All of dPi's customers are new customers and therefore a customer cannot be slammed.

21. If granted authority to operate as a local exchange carrier, will the applicant abide by the following 83 Illinois Administrative Code Parts: 705, 710, 720, 725, 735, 755, 756, 757, 770 and 772?

Yes.

22. Will the applicant sign and return membership forms to the Universal Telephone Assistance Corporation and the Illinois Telecommunications Access Corporation?

Yes.

FINANCIAL

23. Please attach evidence of applicant's financial fitness through the submission of its most current income statement and balance sheet, or other appropriate documentation of applicant's financial resources and ability to provide service.

See attached Exhibit "D".

TECHNICAL

24. Does Applicant utilize its own equipment and/or facilities?

No.

IF NO, which facility provider(s) services does Applicant use?

ILEC, Ameritech, Contel and GTE.

25. Please describe the nature of service to be provided (e.g. operator services, internet, debit cards, long distance service, local service).

dPi will provide resold local exchange telecommunications services and long distance services. The local exchange services dPi will provide will be prepaid residential telecommunications services.

26. Will technical personnel be available at all times to assist customers with service problems?

Yes.

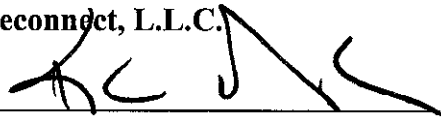
27. If Applicant intends to provide payphone service, will the equipment utilized comply with FCC requirements and Finding (9) of the Commission Order entered in Docket No. 84-0442 on June 11, 1986, including, but not limited to: (a) touch dialing; (b) access to 9-1-1 and "0" operator dialing without use of a coin; (c) rules governing use of payphones by disabled persons; (d) ability to complete local and long-distance calls; (e) unlimited duration for local calls; and (f) a message explaining the telephone's general operations, dialing instructions for emergency assistance, payphone owner's name, method of reporting service problems and method of receiving credit for faulty calls?

_____YES _____NO

N/A.

dPi-Teleconnect, L.L.C.

By: _____


Kyle L. Dickson
Maxwell, Baker & McFatridge, P.C.
2525 South Shore Blvd., Suite 410
League City, Tx 77573
(281) 521-2000.

Attorney for dPi-Teleconnect, L.L.C.

Date: _____



VERIFICATION

OATH

STATE OF TEXAS

COUNTY OF

Dallas

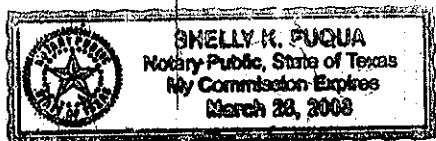
§
§
§

DAVID M. PIKOFF makes oath and says that he is Vice-President and Secretary of dPi Teleconnect, L.L.C. that he has examined the foregoing application and that to the best of his knowledge, information, and belief, all statements of fact contained in the said application are true, and the said application is a correct statement of the business and affairs of the above named applicant in respect to each and every matter set forth therein.

[Signature]
DAVID M. PIKOFF

SUBSCRIBED AND SWORN to before me, a Notary Public

in the State and County above named, this *30th* day of *March*, 2000.



[Signature]
Notary Public in and for the
State of TEXAS

EXHIBIT A

Form **LLC-45.5**
January 1995

George H. Ryan
Secretary of State
Department of Business Services
Limited Liability Company Division
Room 359, Howlett Building
Springfield, IL 62756

Payment must be made by certified check, cashier's check, Illinois attorney's C.P.A.'s check or money order, payable to "Secretary of State."

Illinois Limited Liability Company Act

Application for Admission to Transact Business

Filing Fee \$500

Submit in Duplicate

Must be typewritten

This space for use by Secretary of State

Date 02-11-1999
Assigned File # 0025 953 5
Filing Fee \$400.00
Penalty LB
Approved: _____

*This space for use by
Secretary of State*

FILED

FEBRUARY 11, 1999

LIMITED LIABILITY CO. DIV.
JESSE WHITE
SECRETARY OF STATE

PAID

FEBRUARY 11, 1999

1. Limited Liability Company name: dPi Teleconnect, L.L.C.
(Must comply with Section 1-10 of ILCA or article 2 below applies.)
2. The assumed name, other than the true company name, under which the LLC proposes to transact business in Illinois is: _____
(If applicable, a form LLC-1.20, Application to Adopt an Assumed Name, is required to be completed and attached to this application.)
3. Federal Employer Identification Number (F.E.I.N.): 75-2793726
4. Jurisdiction of Organization: Delaware
5. Date of Organization: December 10, 1998
6. Period of Duration: Perpetual
7. The address, including county, of the office required to be maintained in the jurisdiction of its organization, or if not required, of the principal place of business (Post office box alone and c/o are unacceptable):
- | | |
|-------------------------|-----------------|
| <u>2997-LBJ Freeway</u> | <u>225</u> |
| Number | Suite |
| <u>Dallas TX 75234</u> | <u>Dallas</u> |
| City/State | Zip Code County |
8. Registered agent: C T CORPORATION SYSTEM
- | | | |
|------------|-------------|-----------|
| First Name | Middle Name | Last Name |
|------------|-------------|-----------|
- Registered Office: 208 S. La Salle Street
- | | | |
|--------|--------|---------|
| Number | Street | Suite # |
|--------|--------|---------|
- (P.O. Box or c/o are unacceptable) Chicago Cook Illinois 60604
- | | | |
|------|--------|----------|
| City | County | Zip Code |
|------|--------|----------|
9. The date on which this foreign LLC first did business in Illinois: n/a


LLC-45.5

10. The Illinois Secretary of State is hereby appointed the agent of the limited liability company for service of process under the circumstances set forth in a subsection (b) of Section 1-50 of the ILLCA.
11. This application is accompanied by a certificate of good standing or existence, as well as a copy of the articles of organization, as amended, duly authenticated within the last thirty (30) days, by the officer of the state or country wherein the LLC is formed.
12. The undersigned affirms, under penalties of perjury, having authority to sign hereto, that this application for admission to transact business is to the best of my knowledge and belief, true, correct and complete.

New #9: Telecommunication #8999

New #10: The Limited Liability Company is governed by MEMBERS.

Dated 12-28, 19 98


(Signature)

David M. Pikoff, MEMBER
(Type or print name and title)

*(If applicant is a company or other entity, state name of company and indicate whether it is a member or manager of the LLC.)

*Please refer to Sections 178.20(d) and (e) of the Administrative Rules

EXHIBIT B

DPI-Teleconnect,L.L.C.-Status Report

No.	State	ALEC APPLICATION APPROVED (*Est)
1	Alabama	5/10/99
2	Arizona	
3	Arkansas	2/25/99
4	California	12/16/99
5	Colorado	6/18/99
6	Connecticut	
7	Delaware	
8	Florida	11/17/98
9	Georgia	11/15/99
10	Hawaii	
11	Idaho	9/9/99
12	Illinois	12/11/98
13	Indiana	
14	Iowa	9/9/99
15	Kansas	5/6/99
16	Kentucky	9/30/98
17	Louisiana	
18	Maine	4/20/99
19	Maryland	
20	Massachusetts	10/31/98
21	Minnisota	
22	Mississippi	6/24/99
23	Missouri	
24	Nebraska	
25	Nevada	8/26/99
26	New Jersey	9/1/98
27	New Mexico	
28	New York	10/21/98
29	North Carolina	6/14/99
30	Oklahoma	8/16/99
31	Oregon	7/15/99
32	Pennsylvania	9/20/99
33	Rhode Island	5/17/99
34	South Carolina	
35	Tennessee	3/2/99
36	Texas	11/19/98
37	Vermont	
38	Virginia	8/3/99
39	Washington	
40	West Virginia	8/30/99
41	Wisconsin	3/11/99

EXHIBIT C

dPi-TELECONNECT, L.L.C.

OFFICERS AND BOARD OF DIRECTORS

Officers:

1. David Britton Dorwart
President
2. David Michael Pikoff
Vice President
3. William E. Morgenstern
Chairman/CEO
Rent Way, Inc.

DPI-TELECONNECT, L.L.C.
MANAGEMENT RESUMES

DAVID B. DORWART

Prior to beginning his Telecom career, Mr. Dorwart was Vice President of Strategic Initiatives for Thorn Americas, which did business as Rent A Center, Remco and Advantage Edge. He began his career with Thorn Americas in 1987, and was promoted from entry level management to Vice President and prior to his departure in July of 1998 was General Manager of their AdvantEdge Quality Car Division.

Prior to his employ with Thorn Americas, Mr. Dorwart spend nearly ten years in management positions with various food corporations including Pillsbury and Richards Restaurant Corp.

Mr. Dorwart received a Bachelor of Science Degree from the University of Delaware.

DAVID M. PIKOFF

David Pikoff began his career in Telecom with Multitechnology Services, a large shared tenant service provider. Mr. Pikoff served as the regional manager for the Houston area. With the passing of the Telecommunications Act of 1996, Mr. Pikoff was quick to understand and seize the opportunity that this act presented. Mr. Pikoff founded and served as President of U.S. Telco, based in Dallas, Tx., a prepaid "reseller" with revenues of over \$400,000/month. Mr. Pikoff founded U.S. Telco in 1995, and incorporated it in 1996. Along with Mr. Pikoff's technical expertise, he has developed strategic alliances with major national businesses that will act as DPI-Teleconnect agents in the future. As President of U.S. Telco, Mr. Pikoff developed an operating system that will drive the initial operations of DPI-Teleconnect.

After successfully guiding U.S. Telco through an acquisition by one of its competitors, Mr. Pikoff accepted a position as General Manager with Tel Com Plus based in Clearwater, Florida. While there, Mr. Pikoff expanded the operations to span over an eight state area in addition to automating operating systems and significantly reducing the work force.

Mr. Pikoff earned a Business Degree in Marketing from St. Edwards University in Austin, Tx. He was awarded high honors, Maga Cum Laude.

JASON PICK

Jason Pick began his Telecom career with COLCOM, Inc., a provider of voice and integrated data systems. He served as a staff accountant, and wrote several custom business solution applications.

Mr. Pick served as Director of IT with US Telco. At US Telco, Mr. Pick designed and wrote the software that US Telco used to provision service, handle Customer Service, and bill their customers with. Mr. Pick utilized his accounting background to integrate sophisticated management reports into the software that he wrote. Mr. Pick also designed and implemented payment interface systems that were used to transmit customer payment and order information.

After US Telco was acquired by a competitor, Mr. Pick accepted a position as IT Director with Tel Com Plus based in Clearwater, Fl. Mr. Pick designed and developed automated payment interfaces between Tel Com Plus and its agents, as well as call tracking and management reporting software. Mr. Pick also designed the schematics for an integrated voice response system, and was instrumental in its implementation and refinement.

Mr. Pick earned a Business Degree in Accounting from The University of Texas, Austin, Tx.

EXHIBIT D

dPI TeleConnect, LLC
Profit and Loss
October 1999

11/05/99

	Oct '99
Ordinary Income/Expense	
Income	
New Service	
1-New Service Income	213,579.88
Refund - New Service	-9,233.00
Total New Service	204,446.88
2-Recurring Service Income	250,835.76
Total Income	455,282.64
Gross Profit	455,282.64
Expense	
1) Projected Cost of Sales	
1.1 New Service Network Expense	159,095.90
1.2 Recurring Service Network	87,792.82
1.4 Taxes due to agencies	52,357.50
Total 1) Projected Cost of Sales	299,245.92
2) Acquisition Costs	
2.1 Advertising	73,650.88
2.2 Commissions	48,461.63
2.3 Customer Referral Incent	1,722.60
2.4 Marketing Materials	531.12
2.5 New Store Set-up	2,200.70
Total 2) Acquisition Costs	124,566.74
3.0) Operating Expenses	
3.01 Compensation	
4.01) Gross Salaries	109,661.45
4.02) Payroll taxes & benefits	10,836.86
4.03 Performance Bonuses	4,552.83
Contract Labor	4,375.13
4.04 Car allowance	1,000.00
6180 - 4.24) Insurance	
Life Insurance	178.51
6320 - Work Comp	562.22
6180 - 4.24) Insurance - Other	709.53
Total 6180 - 4.24) Insurance	1,450.26
3.01 Compensation - Other	2,112.96
Total 3.01 Compensation	133,789.49
3.03 Travel & entertainment	
6380 - 4.12 Travel	5,227.14
Total 3.03 Travel & entertainment	5,227.14
3.04 Occupancy	
4.12) Office Equip/Furniture	1,011.76
6290 - 4.13) Rent	6,318.87
6310 - 4.36 Building Repairs	29.77
6330 - 4.39 Equipment Repairs	681.71
Total 3.04 Occupancy	8,041.91
3.05 Communications	
4.15) Inbound 800 expenses	8,027.61
4.16) Outbound 800 LD expense	
Quest LD Charges	4,803.16
Total 4.16) Outbound 800 LD expense	4,803.16
4.17) Telephone system lease	2,577.23
4.18) Total Cell Phones	
4.183) Cell Phone-Pick	71.20
4.184) Cell Phone others	414.42
Total 4.18) Total Cell Phones	485.62
6340 - 4.22) Telephone-Local	531.87

dPI TeleConnect, LLC

Profit and Loss

October 1999

11/05/99

	Oct '99
Total 3.05 Communications	16,525.49
3.06 IT	
4.20) Computer Lease HW/SW	651.38
4.21) IT development	
6170 • computer workstations lease	3,273.31
4.21) IT development - Other	220.27
Total 4.21) IT development	3,493.58
4.25) IT Hardware	1,085.34
6320 • 4.39 Computer Repairs	3,558.63
Total 3.06 IT	8,788.93
3.07 Insurance	
6510 • Liability Insurance	711.00
Total 3.07 Insurance	711.00
3.08 Office	
6160 • 4.30 Dues and Subscriptions	958.08
6250 • 4.27) Postage and Delivery	2,697.55
6550 • 4.28) Office Supplies	2,521.58
Total 3.08 Office	6,175.19
3.09 Employment expense	
4.37 Employment ads	355.98
3.09 Employment expense - Other	99.00
Total 3.09 Employment expense	454.96
3.10 Other	
6540 • 4.41 Miscellaneous	110.00
3.10 Other - Other	25.00
Total 3.10 Other	135.00
6270 • 3.02) Professional Fees	
4.07 Payroll service ADP	397.12
4.08 Legal fees	2,095.21
6230 • 4.09 Licenses	23,450.73
6570 • 4.05 Accounting	1,193.25
6580 • 4.06 Consulting	2,251.19
Total 6270 • 3.02) Professional Fees	29,387.50
Total 3.0) Operating Expenses	209,236.61
8150 • Depreciation Expense	2,870.00
6999 • Uncategorized Expenses	0.00
Total Expense	635,919.27
Net Ordinary Income	-180,536.53
Other Income/Expense	
Other Income	
7010 • Interest Income	820.91
Total Other Income	820.91
Net Other Income	820.91
Net Income	-180,015.72

11/05/99

dPI TeleConnect, LLC
Profit and Loss
 January through October 1999

	Jan - Oct '99
Ordinary Income/Expense	
Income	
New Service	
1-New Service Income	763,844.70
Refund - New Service	-27,882.27
Total New Service	740,962.43
2-Recurring Service Income	600,323.55
4900 - Misc. Income	78.00
Total Income	1,341,363.98
Gross Profit	1,341,363.98
Expense	
1) Projected Cost of Sales	
1.1 New Service Network Expense	514,798.20
1.2 Recurring Service Network	210,113.20
1.4 Taxes due to agencies	154,809.74
Total 1) Projected Cost of Sales	879,721.14
2) Acquisition Costs	
2.1 Advertising	421,522.08
2.2 Commissions	137,227.86
2.3 Customer Referral Incent	1,722.60
2.4 Marketing Materials	23,701.09
2.5 New Store Set-up	26,305.61
New Business Development	34,206.34
2) Acquisition Costs - Other	250.00
Total 2) Acquisition Costs	644,935.58
3.0) Operating Expenses	
3.01 Compensation	
4.01) Gross Salaries	0.00
Jason Pick loan	616,361.31
4.01) Gross Salaries - Other	615,361.31
Total 4.01) Gross Salaries	615,361.31
4.02) Payroll taxes & benefits	67,244.97
4.03 Performance Bonuses	13,412.14
Contract Labor	4,375.13
4.04 Car allowance	11,500.00
4.33 Relocation expenses	366.54
6180 - 4.24) Insurance	
Life Insurance	892.55
6520 - Work Comp	2,447.09
6180 - 4.24) Insurance - Other	2,423.65
Total 6180 - 4.24) Insurance	5,763.29
6500 - 4.36) Contract Labor	0.00
3.01 Compensation - Other	2,112.96
Total 3.01 Compensation	720,138.34
3.03 Travel & entertainment	
6360 - 4.10 Entertainment	734.80
6370 - 4.11 Meals	2,810.35
6380 - 4.12 Travel	54,561.56
Total 3.03 Travel & entertainment	58,106.70
3.04 Occupancy	
4.12) Office Equip/Furniture	6,886.83
4.35 Moving expense	1,068.50
6290 - 4.13) Rent	65,419.93
6310 - 4.39 Building Repairs	608.91
6330 - 4.39 Equipment Repairs	681.71
Total 3.04 Occupancy	74,665.98
3.05 Communications	
4.15) Inbound 800 expenses	43,892.15

11/05/99

dPI TeleConnect, LLC
Profit and Loss
 January through October 1999

	Jan - Oct '99
4.16) Outbound 800 LD expense	
Qwest LD Charges	24,946.38
Total 4.16) Outbound 800 LD expense	24,946.38
4.17) Telephone system lease	16,887.36
4.18) Total Cell Phones	
4.181) Cell phone-Pikoff	1,277.03
4.182) Cell phone-Dowart	2,368.09
4.183) Cell Phone-Pick	499.33
4.184) Cell Phone others	922.01
Total 4.18) Total Cell Phones	5,066.46
4.23) Outbound LD expenses	2,915.12
6340 • 4.22) Telephones-Local	21,391.55
Total 3.05 Communications	115,089.02
3.06 IT	
4.20) Computer Lease HW/SW	10,114.40
4.21) IT development	
6170 • computer workstations lease	11,764.82
4.21) IT development - Other	5,851.12
Total 4.21) IT development	17,615.74
4.25) IT Hardware	17,503.00
6320 • 4.39 Computer Repairs	6,017.12
3.06 IT - Other	79.90
Total 3.06 IT	51,330.16
3.07 Insurance	
6510 • Liability Insurance	4,415.00
3.07 Insurance - Other	894.42
Total 3.07 Insurance	5,309.42
3.08 Office	
4.31 Miscellaneous	1,415.33
6120 • 4.32 Bank Service Charges	1,769.38
6180 • 4.30 Dues and Subscriptions	3,805.73
6250 • 4.27 Postage and Delivery	18,739.16
6280 • 4.28) Printing and Reproduction	2,180.27
6350 • 4.26) Office Supplies	22,473.02
Total 3.08 Office	50,382.94
3.09 Employment expense	
Employment - Other	442.00
4.37 Employment ads	4,989.48
3.09 Employment expense - Other	99.00
Total 3.09 Employment expense	5,530.49
3.10 Other	
4.42 Other taxes	2,451.32
6340 • 4.41 Miscellaneous	110.00
6010 • 4.40) Other Expenses	3,333.51
3.10 Other - Other	25.00
Total 3.10 Other	5,920.13
6270 • 3.02) Professional Fees	
4.07 Payroll service ADP	1,869.78
4.08 Legal fees	58,167.78
6230 • 4.09 Licenses	94,908.42
6570 • 4.05 Accounting	4,484.85
6580 • 4.06 Consulting	34,937.32
Total 6270 • 3.02) Professional Fees	184,378.15
Total 3.0) Operating Expenses	1,280,947.23
6150 • Depreciation Expense	20,413.52
6200 • Interest Expense	2,000.00
6999 • Uncategorized Expenses	0.00

dPi TeleConnect, LLC
Profit and Loss
January through October 1999

11/05/99

	Jan - Oct '99
Total Expense	2,327,917.47
Net Ordinary Income	-1,486,553.40
Other Income/Expense	
Other Income	9,609.87
7010 - Interest Income	9,609.87
Total Other Income	9,609.87
Net Other Income	9,609.87
Net Income	-1,476,943.52

dPi TeleConnect, LLC

Balance Sheet

As of October 31, 1999

11/05/99

	Oct 31, '99
ASSETS	
Current Assets	
Checking/Savings	
Checking Acct, Nations Bank	239,782.86
Total Checking/Savings	239,782.86
Accounts Receivable	
1200 - Accounts Receivable	212,674.44
Total Accounts Receivable	212,674.44
Other Current Assets	
Advances	55.64
Other current assets	2,705.17
Pre-Paid Expenses	2,000.00
Prepaid equipment rental	12,972.90
Prepaid rent	98.73
Total Other Current Assets	17,832.44
Total Current Assets	470,289.74
Fixed Assets	
Computer-Dell Inspiron 7000	
Depreciation	-237.00
Original Cost	2,844.00
Total Computer-Dell Inspiron 7000	2,607.00
Computer system	
Accumulated depreciation	-13,010.74
Computer system - Other	145,092.95
Total Computer system	132,081.91
Furniture	1,066.26
Office equipment	
Accumulated depreciation	-301.20
Office equipment - Other	10,139.79
Total Office equipment	9,838.59
YONIX Software	
Accumulated depreciation	-8,864.58
YONIX Software - Other	119,837.24
Total YONIX Software	112,972.66
Total Fixed Assets	258,566.42
Other Assets	
Deposits	71,281.14
Security Bond Collateral	45,000.00
Total Other Assets	116,281.14
TOTAL ASSETS	845,137.30
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	443,802.58
Total Accounts Payable	443,802.58
Other Current Liabilities	
Health Plan	1,014.00
Payroll	40,923.14
Accrued expenses	224,332.25
Fed withholdings	6,269.15
FICA	6,706.11
FED disability insurance	146.36
STATE disability insurance	554.70
Total Other Current Liabilities	279,965.70

11/05/99

dPI TeleConnect, LLC
Balance Sheet
As of October 31, 1999

	<u>Oct 31, '99</u>
Total Current Liabilities	723,768.28
Long Term Liabilities	
Bank of America Secured Loan	<u>103,146.24</u>
Total Long Term Liabilities	<u>103,146.24</u>
Total Liabilities	826,914.52
Equity	
Contributions - Koch	1,500,000.00
Contributions - Others	100,000.00
1110 - Retained Earnings	-104,833.80
Net Income	<u>-1,476,943.62</u>
Total Equity	<u>18,222.78</u>
TOTAL LIABILITIES & EQUITY	<u>845,137.30</u>